



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

September 30, 2008

Control Number: SBSE-11-0908-055

Expires: September 30, 2009

Impacted IRM: 11.4.1

MEMORANDUM FOR CHIEF, DISCLOSURE AND GOVERNMENTAL LIAISON &
DISCLOSURE AREA MANAGERS

FROM: Joseph R. Aceto */s/ Joseph R. Aceto*
Director, Governmental Liaison and Disclosure

SUBJECT: Interim Guidance on the GL MOU Template

This memorandum serves as interim guidance for Governmental Liaison and Disclosure employees when the participants in a FedFed or FedState initiative want to formalize their agreement on procedures, costs, and responsibilities. Please disseminate this memorandum with attachment to your staffs.

Currently, Exhibit 11.4.1-6 of Internal Revenue Manual (IRM) 11.4.1 contains a GL MOU Template. Based on current practices, this GL MOU Template has been revised to include information on disclosure, safeguards, record keeping, transmittal and agreement/data exchange evaluation. Effective immediately, the attached revised GL MOU Template should be used.

Effective on Other Documents: This guidance will be incorporated into IRM 11.4.1, Governmental Liaison Operations.

Contact: If you have any questions, please contact Cathy Bombere, Senior Program Analyst.

Expiration Date: This guidance will expire on September 30, 2009.

Attachment

cc: www.irs.gov

Exhibit 11.4.1-6 (09/30/2008)

GL MOU Template

MEMORANDUM OF UNDERSTANDING BETWEEN THE INTERNAL REVENUE SERVICE AND THE [NAME OF AGENCY]

1. INTRODUCTION:

This Memorandum of Understanding (MOU) between the Internal Revenue Service (IRS) and the *[insert name of state or local agency]* (Agency) sets forth the agreement of the parties with respect to an initiative to

2. AUTHORITY:

This MOU is entered into between the IRS and the Agency pursuant to Internal Revenue Code Section This MOU is supported by *[insert Basic or Implementing Agreement as appropriate.]*

3. PURPOSE:

The purpose of this initiative is to

4. DUTIES AND RESPONSIBILITIES OF THE IRS:

The IRS will

5. DUTIES AND RESPONSIBILITIES OF THE AGENCY:

The Agency will

6. DISCLOSURE, SAFEGUARDS, AND RECORD KEEPING REQUIREMENTS: (If the MOU involves FTI, this section would be included):

A. The Agency will maintain Federal tax returns and return information separately from other information to the maximum extent possible to avoid inadvertent disclosures and to comply with the federal safeguards required by IRC section 6103(p)(4). The agency will also abide by all other requirements of IRC section 6103(p)(4).

B. All information obtained under this MOU must be safeguarded in accordance with the Basic Agreement, the Implementing Agreement, as well as the safeguard requirements of IRC section 6103(p)(4), as described in IRS Publication 1075, *Tax Information Security Guidelines for Federal, State, and Local Agencies and Entities*.

C. The *[Title of the IRS person responsible for record keeping and accounting]* will ensure that all requirements for recordkeeping and accounting for disclosures are met in accordance with IRC section 6103(p)(3) and its implementing regulations.

D. List any other disclosure guidance applicable to the MOU (i.e., non-disclosure of information protected by governmental, attorney/client privilege, or attorney work product privileges consistent with applicable laws, or any other information that is prohibited from disclosure--IRM 11.3.32.17; non-disclosure of return information that would identify a confidential informant or seriously impair any civil or criminal tax investigation; etc).

7. TRANSMITTAL PROCEDURES: (If the MOU involves FTI, this section would be included):

A. All information exchanged will include a Document Transmittal, (Form 3210 or equivalent) or other means of verifying receipt with a count of documents by type and a brief description of the information being provided.

B. The Document Transmittal and documents will be inserted in an envelope marked "TO BE OPENED BY ADDRESSEE ONLY" and inscribed with the name of the official designated to receive the information. The package will be hand delivered to the designated official or mailed via the United States Postal Service, Federal Express, United Parcel Service, or a Federally accredited expedited mail delivery service, in a second envelope inscribed with the address of the designated official.

8. LIABILITY:

A. Each party to this Agreement shall be liable for the acts and omissions of its own employees.

B. The IRS shall not be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under the Federal Tort Claims Act [28 U.S.C. 1346(b)], or pursuant to other Federal statutory authority. Similarly, the Agency shall not be liable for any injury to another party's personnel or damage to another party's property unless such injury or damage is compensable under applicable state or local law.

9. THIRD PARTY RIGHTS:

This MOU does not confer any rights or benefits on any third party

10. PRIVACY:

The IRS and the Agency will assure the integrity and accuracy of personal and financial data. The IRS and the Agency will perform their duties in a manner that recognizes and enhances individuals' rights of privacy and will make certain that their activities are consistent with law, regulations and good administrative practices.

11. EFFECTIVE DATE:

The effective date of this MOU is the date it has been signed by all parties to the Agreement.

12. AMENDMENT OF MOU:

This MOU may be amended by deletion or modification of any provisions, provided that such amendment is in writing and is signed by all parties to the MOU.

13. TERMINATION OF MOU:

This MOU may be cancelled upon *[agreed-upon number]* days written notice by either the IRS or the Agency or immediately by signed agreement of the IRS and the Agency.

14. LIMITATIONS:

The terms of this MOU are not intended to alter, amend, or rescind any current agreement or provision of federal law now in effect. Any provision of this MOU which conflicts with federal law will be null and void.

15. EVALUATION OF DATA EXCHANGE: (Use this wording if it is a data exchange type MOU)

The IRS and the Agency will review this MOU annually to evaluate the existing data exchange, examine the continuing needs for and uses of the exchanged data, and determine whether the provisions of this agreement require amendment or revision. The method of review (conference call, meeting, email) will be jointly determined by the IRS Governmental Liaison, Office of Safeguards, Business Operating Division, and the Agency Liaison.

16. EVALUATION OF AGREEMENT: (Use this wording if it is a Customer Service type MOU)

The IRS and the Agency will review this MOU annually to determine whether the provisions of this Agreement require amendment or revision and whether the *[Agency is/Agencies are]* complying with the provisions of the Agreement. The method of review (conference call, meeting, email) will be jointly determined by the IRS Governmental Liaison, Office of Safeguards, Business Operating Division, and the Agency Liaison.

APPROVALS:

INTERNAL REVENUE SERVICE

Signature

Title

Date

STATE OF [Name of State]
Agency: [Name of Agency]

Signature

Title

Email Address:

Date